

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6831

BILL NUMBER: HB 1214

NOTE PREPARED: Dec 30, 2010

BILL AMENDED:

SUBJECT: Municipal Lakefront Development Projects.

FIRST AUTHOR: Rep. Candelaria Reardon

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill allows the Alcohol and Tobacco Commission (ATC) to issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant on land or in a historic lake vessel within a municipal lakefront development project funded in part with state and city money. It specifies the criteria that an applicant must demonstrate in applying for a special permit in a municipal lakefront development project.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *ATC:* This bill will cause an increase in administrative costs for the ATC. The permit changes in the bill will require the ATC to amend rules, forms, and computer software relating to the issuance of one-way, two-way and three-way permits. If more permits are issued, the increase in expenditures may be offset as more funds are deposited in the ATC's Enforcement and Administration Fund (EAF).

Explanation of State Revenues: *Permit Fee Revenue:* This bill could increase revenue collected from the issuance of one-way, two-way and three-way permits. The amount of the increase will ultimately depend on the number of establishments that meet the criteria outlined in the bill. The fee for a three-way permit is \$1,000, the fee for a two-way permit is \$750 and the fee for a one-way permit is \$500. These fees are deposited in the Excise Fund, and then redistributed 37% to the state General Fund, 33% to the general funds of cities, towns, and counties based on population, and 30% to the Enforcement and Administration Fund.

Three-way permits allow an establishment to sell beer, wine, and liquor. A two-way permit only allows the sale of beer and wine. A one-way permit allows an establishment to sell one of the following: beer, wine, or

liquor. All of these permits are required to be renewed on an annual basis.

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Revenues*.

State Agencies Affected: ATC.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Diana Agidi, 317-232-9867.